



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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31 AUGUST 1966

~~TOP SECRET~~

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1. North Vietnam

[redacted] another division-level unit of the North Vietnamese Army--as yet unidentified--may be moving south.

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It is still too early to determine the number of troops involved or the infiltration route they may take.

2. Communist China

Peking continues to strengthen its southern fleet.

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[redacted] Photography of last week shows that two and possibly three destroyer escorts are under high-priority construction there.

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3. Communist China

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4. Rhodesia

After more than nine months of independence, the Rhodesian economy is functioning reasonably well despite British sanctions. Rhodesia has maintained a favorable trade balance during the first half of this year, a good portion of the current tobacco crop has been sold, and unemployment is relatively low. So much petroleum is coming in from South Africa and Mozambique that new storage tanks are being built.

This is a dismal picture for Prime Minister Wilson to face on the eve of next week's confrontation at the Commonwealth conference.

5. Yemen

There is now some small chance that Egypt and Saudi Arabia may reach an accord that will permit them to get out of the Yemen mess. Thanks to Kuwait's mediation effort, the two seem closer to agreement than they have been for several months.

6. Cuba

The just-concluded labor congress has tightened the screws much further on the Cuban worker. The Central Labor Organization was streamlined drastically in an effort to make it a more efficient instrument for extracting more from the labor force.

Castro was in a mood to chastise and criticize when he delivered his long speech at the closing session Monday night. He blasted the Cuban worker who does not recognize that labor "is a fundamental social duty." He called for harder work and tighter discipline, but offered no hope for better living conditions until after this decade.

7. West Germany

The chances have increased that Erhard will have to sack Defense Minister von Hassel. Judging from the highly critical German press reaction, Von Hassel's effort to arouse public support for himself at the expense of the generals has backfired. Tomorrow the Bundestag Defense Committee opens its investigation of the uproar, and Von Hassel is to be the leadoff witness.

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